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ABSTRACT

As many community colleges are facing a period of stabilizing enrollments combined with inflation in operating costs and the increasing need to protect themselves against fluctuations in public funding, seeking new sources of funding becomes an inevitability. Corporations and private foundations are two major untapped sources for fund raising programs. Initially, an educational institution must assess its needs and set its priorities. The next step in the process is to identify prospective donors. Generally donors are either foundations within an institution's geographic area, or those that give nationally or internationally. Foundation Center Libraries and directories of foundations can aid in gathering information on foundations, but identifying corporate donors is generally more difficult. The third step involves educating and cultivating prospective donors in a systematic manner as to the nature of the college's programs, students, facilities, and community benefits and needs. The next step of submitting the grant proposal entails meeting with corporate representatives, writing the proposal in a concise manner geared toward foundation needs, and using personal contacts to boost influence. A final step in the total process is stewardship, the management of funds that have been granted to an organization. A bibliography of foundation grant directories and other publications is included. (MB)

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RESOURCE PAPER NO. 17

WINNING FOUNDATION AND CORPORATE GRANTS

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WINNING FOUNDATION AND CORPORATE GRANTS

Why should community and junior colleges seek foundation and corporate funds? And how should they go about obtaining them? The broad scope of this paper precludes an exhaustive discussion of any facet of foundation or corporate fund raising; instead, the article seeks to point out briefly the elements of a successful corporate and foundation fund raising program.

A. WHY SHOULD TWO-YEAR COLLEGES SEEK PRIVATE FUNDS?

Many private junior colleges have long ago answered this question satisfactorily both for themselves and for foundations and corporations. Indeed, several of these colleges have compiled excellent records of grantsmanship in the areas of foundation and corporate funding. Public community colleges, however, have received only a very small fraction of the foundation and corporate dollar. Thus, a community college that embarks on a foundation and corporate fund raising program is likely to face a difficult question: Why bother? This question will probably come from foundation or corporate officers as well as from those within the institution who balk at allocating scarce resources to the pursuit of private funding sources that have not traditionally given to community colleges.

The answer to this question lies in part in the changing circumstances of educational institutions. Because many community colleges have enjoyed a period of growth during the past decade, their circumstances have been relatively comfortable. Public funds, along with increasing revenues from expanding student enrollments, have in many cases been sufficient for institutions' needs, and few institutions have found it necessary, or even desirable, to make a strenuous grants effort. This happy situation is rapidly changing, however.

Many community and junior colleges now face a period of stabilizing enrollments combined with rapid inflation in operating costs. Inflation in the cost of library acquisitions, for example, ranged from ten per cent to twenty per cent last year, first class postage rates increased by fifteen per cent, and utility rates increased substantially almost everywhere. It is no longer possible to meet increased operating costs by simply admitting additional students, and it is unduly optimistic to think that public revenues can keep pace indefinitely with inflation.

Two-year colleges also need protection against fluctuations in public funding. In recent years, taxpayers have frequently refused to increase or have sought to lower mill levies (e.g., Proposition 13), and educational institutions have been among the first to suffer budgetary cuts. Most institutions find greater security in diverse sources of funding than in absolute reliance upon one or two sources.

Two-year colleges are also seeking new sources of funds because of the difficulty of providing adequate financial aid for nontraditional students--for part-time students, older students with families, handicapped students--i.e., for the kinds of students usually found at community colleges.

Another factor leading two-year institutions to seek new sources of support is the high cost of excellence. Excellence in any educational institution requires funds for faculty, staff and student development, for planning and implementing

innovative projects, for bringing to the campus visiting artists and scholars to enrich the college's regular offerings, etc. These and other activities are often too costly to be supported by a college's regular budget.

Finally, foundations and corporations frequently support efforts that fall naturally within the sphere of the two-year college. Many, for example, support efforts to broaden the opportunities of those who have traditionally lacked access to education (minorities, women, the disadvantaged, the aged, the handicapped, and the working class) and to provide cultural programs for these groups. Corporations are frequently interested in career education, in training or retraining their employees, or in nontraditional educational delivery systems.

For all these reasons, institutions must seek new sources of funds, and two major untapped sources of funds for two-year colleges are private foundations and corporations. Corporations now give more than $1.35 billion a year to education, the arts, social programs, etc., according to recent estimates, while the 26,000 grant-making foundations give approximately $2.1 billion annually. Moreover, foundations and corporations offer several advantages over federal programs. Government funding agencies often require (but foundations and corporations rarely do) institutions to gather and divulge information that may or may not be directly related to the grant proposal. This can be a time-consuming, and thus a costly, task. Federal agencies are more likely than foundations to allow too little time between announcement of funding programs and deadlines for submission of proposals. (For example, less than two weeks elapsed between announcement of a recent grants competition under CETA and the deadline for application.) Similarly, notification of government awards may come so late that it is difficult to implement programs on schedule.

B. STEPS IN A SUCCESSFUL FOUNDATION AND CORPORATE FUND RAISING PROGRAM

Because foundation and corporate fund raising are similar in many respects, they can be handled together in a general discussion. There are many differences, however, and some of these will be pointed out in this treatment. The activities involved in a successful foundation and corporate fund raising program fall roughly into five areas: planning, identifying prospects, educating and cultivating these prospects, preparing and submitting the proposal, and stewardship.

In this paper, we describe the process of foundation and corporate fund raising as a series of discrete steps through which one progresses in an orderly fashion. We do this in an effort to present the various aspects of fund raising as clearly as possible. It should be recognized, however, that in a successful foundation and corporate fund raising program all of the activities mentioned above--planning, identifying prospective donors, educating and cultivating prospects, preparing and submitting the proposal, and stewardship--are continuous. They go on simultaneously and shape each other. In the planning process, for instance, new needs constantly arise and old ones become more or less pressing with changes in enrollment, public funding, the discovery of a promising donor (which means that it may be more cost-effective to seek funds for one need than for another), etc.

1. Corporate and Foundation Fund Raising and the Planning Process

Foundation and corporate fund raising can be deceptive since at first glance everything seems possible, and one is tempted to move in all directions at once. One institution, for example, expended a great deal of effort preparing an excellent

description of itself. It then appended a paragraph requesting funds and mailed this page, along with a handsome catalog, to 300 corporations. The institution was surprised to receive 300 rejections. It should not have been surprised, however, for such a scattershot approach is doomed to failure.

To raise funds successfully, an institution must first assess its needs and set its priorities. It is essential that an institution's development officers be closely involved in this planning process, since they know about funding possibilities and hence can provide information about the feasibility of projects, and since information gathered in the planning process is, in turn, necessary for setting priorities in the development office. One must be careful to select from the many available programs only those that are attuned to a college's mission, resources and expertise, and that are genuinely useful to the college. Many grants, for instance, simply do not relieve an institution's budget sufficiently to justify the effort involved. Other grants may support projects that require additional staff who would remain after the grant ends, or they may require a long-term commitment to a program before it is proven pedagogically sound and cost effective.

Use of Consultants

While we believe that most two-year colleges would profit in the long run from establishing a corporate and foundation fund raising program, it is probably wise for an institution that is considering such a move to seek out a consultant who has experience with corporate and foundation programs in the community college. Such a consultant can from personal experience assess a two-year college's potential for winning foundation and corporate grants and estimate the amount of time and money that will be required to establish a successful program. In other words, a corporate and foundation fund raiser experienced in the two-year college setting can determine the probable cost effectiveness for an institution that is considering implementing a foundation and corporate fund raising program before the institution commits large sums to such a program.

2. Identifying Prospective Donors

Once areas needing funding have been identified, the next step is to identify prospective donors. Prospective foundation donors generally fall into one of two categories: foundations located within an institution's geographic area, and foundations that give nationally or internationally. Numerous publications are available to assist in the search for local foundations. Among the most useful of these are the various state foundation directories. Pennsylvania, for example, has a state foundation directory that, like those of many other states, profiles all of the state's foundations that hold assets with a market value of $50,000 or more, or that award grants totaling more than $2,000 annually. This guide presents an overview of Pennsylvania foundations, includes a users' guide, and keys all foundations by the geographic areas in which they award grants. One index lists all officers, directors and trustees of foundations; another groups foundations on the basis of their major interests. Information contained in appendices titled "Approaching Foundations," "Program Planning and Proposal Writing" and "Broadening the Foundation Search" is particularly useful to institutions just beginning their foundation and corporate programs.

One can learn whether such a publication is available, and can learn about and examine many other valuable sources of information, through the Foundation Center. The Foundation Center gathers information on philanthropic foundations

and its library collections may be used by the public without charge. Virtually every state has at least one Foundation Center Library. One can learn the location of the nearest collection and get information about other Foundation Center services by writing the Foundation Center (see bibliography).

At the same time that one is locating foundations that seem likely prospects on the basis of their geographic proximity, one should also seek out national foundations whose interests match those of the two-year institution. One can get such information by following the procedure outlines above, substituting directories that are not limited to particular states. Several of these directories are listed in the bibliography; these and other sources can be found in Foundation Center collections.

One should be warned that, useful as they are, directories quickly become obsolete. To be certain that one's information is accurate, one must read periodicals that list grants soon after they are awarded. Among the most useful of such publications is Foundation News, published bi-monthly (see bibliography). Many of the larger foundations publish annual reports that list program areas and, sometimes, grants awarded. One can also get extensive information by reading the full annual reports prepared for the Internal Revenue Service (Form A.R. 990). A.R. 990s are available in Foundation Center collections or may be ordered from the Internal Revenue Service if one gets the E.I.N. (Employer Identification Number). The latter procedure takes a minimum of about six weeks, however, so it is usually preferable to xerox these forms at a Foundation Center collection, if one is convenient. Even when one has examined all of the above sources of information, it is advisable to visit, or if this is impossible, to write or telephone a foundation before submitting a proposal to be sure that the deadline listed is still accurate and that the foundation's interests have not changed.

Prospective Corporate Donors

Gathering information on prospective corporate donors is generally more difficult that on prospective foundation donors. Although many foundation directories are available, few directories provide information about corporate giving. One particularly useful directory is the Taft Corporate Foundation Directory (see bibliography). As its name suggests, however, it lists only corporations that have established foundations, and many corporations with philanthropic programs have not done this. Another useful directory is the Casebook, published by the Council for Financial Aid to Education (CFAE) which lists aid-to-education programs of leading corporations (see bibliography). A company's annual report may contain information on corporate philanthropy, but more often it does not. One can obtain information about corporate philanthropy by contacting the corporate contributions or gifts officer, if a corporation has one. If there is none, one can usually learn whether a corporation makes charitable gifts by contacting the president's office or the public information office.

Only a few corporations award grants without regard for proximity to corporate installations, and most of these are listed in the Taft Corporate Foundation Directory or the CFAE Casebook. Thus, in most cases, the first step in assessing likely corporate donors is to identify corporations that are headquartered or at least have installations in the area. Corporations frequently give much more heavily to organizations near the corporate headquarters than to those located near other installations, but at a minimum, an organization must usually be located near some important corporate installation in order to win a corporate gift. The few exceptions almost always occur because of strong

interest on the part of a corporate executive. (More about this in the section below entitled "Educating and Cultivating Prospects.") The scale of corporate gifts allocated to a geographic area in general reflects the proportion of a company's staff who are employed in that area or the percentage of the company's clientele who reside in the area. Thus, although a number of large corporations may have telephone listings in a city, many of the listings normally represent only small sales offices. Such installations are not a likely basis for corporate philanthropy.

One other consideration is important in assessing a corporation's potential as a donor: What is the business climate? If the corporation has had a bad year, it will probably have little money available for philanthropy. To keep abreast of this kind of information, a corporate fund raiser must read the Wall Street Journal, the business pages of the local newspapers, etc.

3. Educating and Cultivating Prospects

When, through the procedures described above, one has developed general ideas of the range of foundations and corporations that may be prospective donors, one should undertake an exhaustive search for "contacts," i.e., for corporate or foundation officers, or members of the family that established the foundation or corporation, who are--or could become--friends of the college. One may find that such people have displayed interest in the college (perhaps by attending cultural events or taking courses) or have some connection with a staff or board member of the college (a friend, neighbor, business associate, member of same church or volunteer organization, etc.). If so, this interest or relationship can tell one much about who should initially approach the person. An approach by a peer--a business or professional associate who is a friend of, but not an employee of, the college--can be especially effective. Existing relationships can make an initial approach easier, although regardless of whether such relationships exist, the process of educating and cultivating people with foundation or corporate ties remains the same.

The college should systematically develop its own contacts with foundations and corporations by keeping in touch regularly with foundation and corporate officers in a variety of ways. College representatives should visit the foundation or corporation. They should send foundation and corporate officers copies of college publications (annual reports, magazines, selected news releases, newspaper clippings, etc.). Depending upon the foundation or corporate officers' interests, they should be invited to special events at the college (cultural events, sports events, ceremonies); invited to social events by college staff (invited by the college's president, board members, faculty or administrative officers to luncheons, dinners, receptions); solicited for advice or assistance in their areas of expertise, etc. The latter is particularly important, since an excellent way of sustaining a person's interest in an organization is to keep him/her actively involved--through meaningful service on the board, on advisory committees, as a volunteer, etc.

It is important that foundation and corporate officers continuously be made aware of the college's programs, kinds of students, facilities, benefits to the community, and needs. They should be well informed so that they can develop an intelligent commitment to the college and so that they can speak knowledgeably on the college's behalf. An institution must recognize that the process of educating and cultivating people with foundation and corporate ties is not a process that pays dividends immediately. It is generally

accepted that two to three years of cultivation and education are required before an institution can expect a major gift from a foundation or corporate donor. It is also important to recognize that this process--like a successful fund raising effort in general--requires a commitment of time and energy on the part of many members of the college community in addition to the development officer. The president, other administrative officers, college trustees, friends of the college, and faculty members all have important roles at some point in the process.

4. Submitting the Proposal

The Appointment

While a personal appointment with a foundation or corporate representative is not essential to the success of a proposal, it almost always increases the odds. Such a meeting enables one to present a preliminary idea and to get the representative's assessment of the project, its suitability for the foundation or corporation, and the size and nature of a realistic request. A meeting also frequently yields fruitful suggestions about how to couch the proposal, areas to be emphasized and others to be avoided, etc.

It is critical that the college representative come to a meeting with a foundation or corporate officer with his/her homework done. He/she should remember that most corporate gifts--even those from very large corporations--are quite modest in size, often ranging from $500 to $1,000. If the prospective donor is a corporation, one should also determine whether it is more likely to make a dollar gift or an in-kind gift. He/she must have at his/her fingertips information about the college in general and about the proposed project in particular. The college representative must be able to explain clearly and effectively whom the proposed project will benefit and how, whether it has been done before, either on one's own or on other campuses, how long it will take, and specifically how its success can be measured. Foundations and corporations, like government agencies, are usually reluctant to give for an institution's ordinary operating expenses. They prefer to support discrete projects--new programs, buildings, etc.--that have measurable outcomes and that can be completed or become self-supporting within a relatively short period of time. Most foundation and corporate gifts are for periods of two years or less; few run more than three years.

A foundation officer will probably want to know how a proposed program meshes with the foundation's interests. The corporate officer should be told how the college and the proposed program benefit the corporation, its employees or its clientele. The college representative should have at hand figures on the number of corporate employees who are graduates or students at the college, or who take advantage of college-sponsored cultural or sports events.

Writing the Proposal

The first rule in writing a foundation or corporate proposal is to remember the information gleaned from the interview. Heed deadlines. Follow precisely the format prescribed by the foundation or corporation, if any. By all means, couch the proposal in the language used by the program officer and in any written information distributed by the foundation or corporation. This language reflects more clearly than anything else how the foundation or corporation sees itself. A program presented through the foundation's or corporation's own language is more likely to seem a natural extension of the foundation's or corporation's

interests than programs presented in other terms.

The second rule in writing a foundation or corporate proposal is brevity. A few foundations prefer very extensive proposals, but in most cases the more concise a proposal, the more likely it is to be read carefully. Most corporations seem to prefer even greater brevity than foundations. Unless a corporate officer has indicated otherwise, a one-page (never more than two-page) abstract is best. The abstract should outline the benefits to the corporation of the college and of the project for which funding is being sought. It should include a detailed budget, but usually only for the part of the project that the corporation is being asked to fund. Foundations, on the other hand, may want to see the full budget. It is important to ask the foundation or corporate officer exactly what kind of budget the readers of the proposal wish to see. One should also find out whether an institutional match is required, or whether, even if it is not essential, a match would help the college win a grant by indicating institutional commitment to the project.

It is beyond the scope of this article to provide specific guidance about writing and editing the proposal, but many manuals providing such guidance are readily available (see bibliography).

Using Influence

Anonymity is an excellent route to failure for even the best proposal and brightest idea. Because relationships between key people are as varied as the people themselves, and since the use of influence, while expected, must be handled with great sensitivity, an institution must rely upon the judgment of its corporate or foundation contact. Ideally, the college fund raising officer will have used the institution's highest-ranking contact with a foundation or corporation in scheduling a pre-proposal meeting between a college representative and the foundation or corporate philanthropy officer. This contact should be kept abreast of every step in the application process, should receive a copy of the proposal at the same time that the foundation or corporation received it, and should be called upon to express interest in the proposal between the time it is submitted and time it is voted upon.

5. Stewardship

Of all the steps in securing foundation and corporate funding, stewardship--the management of funds that have been granted to an organization--is perhaps the most important. Good stewardship entails disbursing funds for the purposes and at the times that the proposal said they would be disbursed, maintaining a clear and careful accounting system, and reporting fully and on time the expenditure of grant funds. Careful stewardship is a critical part of the cultivation process; in fact, the quality of stewardship often determines whether a foundation or corporation makes a one-time grant to an organization or becomes a long-term friend that can be reapproached for additional grants in the future. Besides providing a detailed financial accounting, reports should point out the changes brought about in the institution by the grant and define the success of the grant program in terms that can be measured as clearly as possible. If the grant program is not a success, it is important to point out any elements of the program that did succeed and to explain carefully and honestly what the problems were and how these might be prevented in the future. Foundation or corporation contact persons and other officers of the foundation or corporation should be encouraged to visit the campus at appropriate times during the grant period.

C. EXHORTATIONS

There is no magic about corporate and foundation fund raising. Success comes from applying the hard--often plodding--work required to develop an organized program. Consistence and patience pay off, while carelessness, lack of planning, and inconsistency lead to failure.

Since many two-year colleges--and particularly publicly supported community colleges--are relatively new to foundation and corporate fund raising, it is important for these institutions to make a concerted effort to break down barriers to corporate and foundation funding. We are convinced that an individual college's success in corporate and foundation fund raising is directly related to its effectiveness in marketing. We are further convinced that success in winning corporate and foundation grants for two-year colleges in general will be determined by their collective success in representing themselves as institutions that provide opportunity for those who would otherwise lack it, that enrich the life of their communities through their educational and cultural offerings, that are on the cutting edge of social change, that transform poor achievers into solidly prepared citizens able to contribute to society--in short, institutions that are valuable and worthy of support.

Two-year colleges can tell many impressive success stories. Furthermore, they are usually firmly rooted in the communities; their students generally come from surrounding areas and their graduates are likely to remain in the vicinity. We believe that two-year colleges have excellent prospects for winning substantial funding from foundations and corporations. They actual success will be determined by their ability--collectively as well as individually--to tell their story clearly and compellingly.

BIBLIOGRAPHY

This list is by no means exhaustive; indeed, it excludes many very useful publications. It seeks merely to list a few basic reference works. Most of these can be found in Foundation Center collections.

About Foundations: How to Find the Facts You Need to Get a Grant. Guide to researching foundations. Order from the Foundation Center, 888 Seventh Ave., New York, New York 10019. $3.00.

The Casebook: Aid-to-Education Programs of Leading Business Concerns. About 200 business concerns that give to education are listed alphabetically, by field of business, and by categories of giving. Tenth edition, published in 1978. Order from Council for Financial Aid to Education, 680 Fifth Ave., New York, New York 10019. $12.00. One should also request a complete list of CFAE publications.

Foundation Annual Reports: What They Are and How to Use Them. Lists 397 foundations that publish annual reports and gives addresses for requesting copies. Order from the Foundation Center, 888 Seventh Ave., New York, New York 10019. $2.00.

Foundation Directory. Sixth edition, the latest available, lists 2,817 foundations with assets of at least $1 million or annual grants in excess of $100,000. Seventh edition should be available in 1979. Order from Columbia University Press, 136 South Broadway, Irvington, New York 10522. $36.00.

Foundation Grant Index. Compiles the bi-monthly listings found in Foundation News. The 1977 edition is the latest available; the 1978 edition should be off the press in summer, 1979. Order from Columbia University Press, 136 South Broadway, Irvington, New York 10522. $16.00.

Foundation News. A bi-monthly periodical with fifty pages or more of listings of recent grants arranged in three ways: by state in which foundation is located; by recipient organization; and by key words in grant descriptions. Also contains articles on foundation and corporate philanthropy. Order from the Foundation Center, 888 Seventh Ave., New York, New York 10019. $20.00 per year. One should also request information about other Foundation Center services and publications.

Giving in America: Toward a Stronger Voluntary Sector. The Report of the Commission on Private Philanthropy and Public Needs, John J. Filer, chairman. An examination of all phases of private philanthropy, with recommendations for broadening the base of philanthropy and improving the philanthropic process. Order from Commission on Private Philanthropy and Public Needs, 1776 K St., N.W., Suite 800, Washington, D.C. 20006; the Commission requests "a tax-deductible donation to help defray costs"; production and distribution costs the Commission $1.50 per copy.

The Grantsmanship Center News. Bi-monthly publication dealing with both public and private funding. How-to articles about obtaining grants, writing proposals, planning programs, managing nonprofit organizations and developing resources; information about deadlines, grant programs. Order from the Grantsmanship Center, 1015 West Olympic Blvd., Los Angeles, California 90015. $15.00 per year. One should also request information about other Grantsmanship Center services and publications.

Program Planning and Proposal Writing. Discusses all phases of proposal preparation, from developing a credible introduction and stating objectives to planning for future funding. Order from the Grantsmanship Center, 1015 West Olympic Blvd., Los Angeles, California 90015. $75.00.

Taft Corporate Foundation Directory. Published in 1977; revised edition should be available in October, 1978. Profiles 276 company-sponsored foundations. Indexes foundations by state; officers and staff members; sponsoring companies; types of grants awarded; corporate operating locations; and fields of interest. Order from Taft Corporation, 1000 Vermont Ave., N.W., Washington, D.C. 20005. $90.75. One should also request information about other Taft services and publications.

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